

Canada Tungsten Mining Corporation Limited

Revised October 10, 1986 (MC)

Destroy all previous Basic and White cards on this Company

CUSIP Number 135285

Stock Symbol CTM

Executive Office — 1600, 1066 West Hastings St., Vancouver, B.C. V6E 3X1

Head Office — Suite 3500, IBM Tower, Toronto-Dominion Centre, Toronto, Ontario M5K 1N3

Telephone — Executive Office (604) 689-0046

THE COMPANY owns a tungsten mine at Tungsten, in the Flat River area, N.W.T., near the Yukon boundary, equipped with a 1,000-ton per day mill, other mineral properties and interests, and an ammonium paratungstate plant at Fort Madison, Iowa. The company also operates a placer-gold tungsten recovery plant at Dublin Gulch, Yukon; and has 37% interest in Queenstake Resources Ltd.

Fiscal Year	Ore Reserves	Total Assets	COMPARATIVE DATA			Earns. Per Sh.	Divds. Paid	Price Range	
			Working Capital	Oper. Income	Net Inc. Oper.			High	Low
			000's			— Common Shares —			
	Tons	\$	\$	\$	\$	\$	\$	\$	\$
1985....	1,530	45,952	14,801	d1,426	d8,512	d1.49	■ 0.10	16.50	8.00
1984....	2,800	70,819	12,761	1,952	d5,630	d1.10	0.05	18.25	12.25
1983....	3,000	71,353	7,800	d13,308	d12,129	d2.43		22.63	14.00
1982....	3,040	81,080	16,415	4,217	d8,465	d1.70	0.45	26.25	13.00
1981....	3,550	90,555	16,320	6,388	2,813	0.56	1.20	43.00	20.00

■ Stock.

CAPITALIZATION AT DECEMBER 31, 1985			
	Outstanding		%
Long-term debt		\$13,955,000	35
Common stock, n.p.v.	5,760,720 shs.	14,422,000	36
Retained earnings		11,788,000	29

SUMMARY STATEMENT

For the six months ended June 30, 1986, net loss was \$5,605,000 or 75 cents per share, compared with a loss of \$2,719,000 or 48 cents per share in the 1985 period.

A strike by about 140 workers began May 20, 1986 at the Tungsten Mine, at which date production ceased. The company subsequently announced that, due to low tungsten prices, operations would remain suspended until further notice. Sales commitments will be met from inventory.

Revised estimate of reserves at the Tungsten Mine down to 1,530,000 short tons grading an average 1.24% WO₃ at Dec. 31, 1985, resulted in an extraordinary charge against earnings of \$20,350,000 for the year then ended. Life of the mine is now estimated at less than 4 years at current production rates.

A reorganization and refinancing was completed in 1986. Under the plan, the company acquired the tungsten assets of its parent company, AMAX Inc. The company also sold 4,500,000 Special warrants at \$8 each. Each of these warrants entitled the holder to buy 1 unit, consisting of 1 common share and 1/2 share purchase warrant. See Reorganization, page 2 for further details.

For the twelve months ended Dec. 31, 1985, operating loss was \$8,512,000 (\$1.49 per share), compared with a loss of \$5,630,000 for 1984.

Markets for tungsten are uncertain because much production is from communist countries for which production and consumption data are not available. In the western world, until recent years production had exceeded consumption; for 1984 and 1985, consumption was higher. Communist exports appear to have depressed the markets; the average price per STUN U.S. dollars has recently been a little over \$50, while in 1979-1981, it was \$130. A price recovery on its timing remains uncertain.

N.B.—For quick reference data, see page 2.

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MCGILL UNIVERSITY

QUICK REFERENCE DATA

Major Shareholders—At June 30, 1986, Amax Inc., through wholly-owned Amax Securities Inc., held approximately 57% interest.

Incorporation—Ontario charter, July 31, 1959.

Auditors—Coopers & Lybrand, C.A., Vancouver.

Fiscal Year Ends—December 31.

Annual Report Appeared—In March in 1986.

Annual Meeting—May 27 in 1986.

Listed—CTM, Toronto Stock Exchange.

Shareholders—675 at December 31, 1985.

Employees—221 at December 31, 1985.

Transfer Agent—Canada Trust Co., Toronto, Vancouver and Montreal.

COMPANY

The company owns a tungsten mine at Tungsten, in the Flat River area, Mackenzie mining division, Northwest Territories, near the Yukon boundary. Operations started in November, 1982.

From Jan. 22, 1983 to Nov. 30, 1983, operations were closed down due to weak demand and depressed tungsten prices. This followed previous production cut-backs during 1982. Production resumed Dec. 1, 1983 and reached 410,000 STUs in 1985, then was shut down by a strike in May 1986.

The company retains a 60% interest in the Bailey claim group, Yukon, which has a possible geological reserve of 500,000 tons grading 0.95% WO₃.

In 1986, the company acquired a tungsten prospect and an ammonium paratungstate processing plant from AMAX Inc.

The property is at Mactung, N.W.T. and the plant is at Fort Madison, Iowa. The company also acquired an option on a tungsten-tin prospect at Hemerdon, England.

Canada Tungsten has 37% interest in Queenstake Resources Ltd. and acts as operator of certain jointly-owned gold-tungsten prospects and placer leases in the Dublin Gulch area, Yukon, including a placer gold-tungsten recovery plant which commenced operations during 1980.

Reorganization

In 1986, the company carried out a series of substantial reorganizing steps. New capital was raised through a private placement of 4,500,000 Special warrants at \$8 each, entitling the holder to purchase 1 Unit (1 share and 1/2 warrant) for each Special warrant held. Proceeds were \$34,490,000 net. Each whole share purchase warrant issued under the placement entitles holder to purchase 1 common share at \$10 until March 25, 1991. The company then used part of the proceeds to acquire tungsten properties from its parent company, AMAX Inc. The major assets acquired were two undeveloped properties, a processing plant, and about \$10,000,000 in tungsten inventories (at May 1986 prices).

The purchase consideration was \$12,000,000 in cash, and 6,000,000 Canada Tungsten treasury shares, worth about \$48,000,000 at the time of issue.

The properties are in the N.W.T., north of the existing mine at Tungsten; and a tin/tungsten prospect, near Plymouth, England. The processing plant is a leasehold interest and operating rights for an ammonium paratungstate plant in Fort Madison, Iowa.

Also, Dome Mines, a former major shareholder, sold its 1,152,895 shares in the company; prior to the reorganization, about a 20% interest.

PROPERTY

The company's main tungsten property comprises 612 contiguous claims, a total of 31,719 acres, at Tungsten, in Flat River Valley area, Mackenzie mining division, Northwest Territories. It is linked with Watson Lake, a town which is on the Alaska Highway, in the Yukon (near the British Columbia boundary) by a 195-mile road system, the cost of which was borne mainly by the Federal Government and partly by the company. An airport with a 4,000-ft. runway has been built at the mine site.

The company also has a tungsten prospect, at Mactung, about 110 miles north of the Tungsten mine. The property is composed of 223 claims and leases, 109 in the Yukon and 114 in N.W.T., and is not now accessible for mining purposes. Proven reserves are 1,525,000 tonnes, probable reserves an additional 10,700,000 tonnes, both at 0.88% WO₃.

PLANT AND EQUIPMENT

The property was originally equipped with a crushing plant capable of treating 140 tons per hour, and a concentrator with rated capacity of 300 tons a day. Both were destroyed by fire Dec. 26, 1966.

A new 350-ton-per-day plant, completed in 1967 at an estimated cost of \$2,800,000, started tune-up operations in December, 1967, and was operating at capacity by early 1968.

Subsequent additions to mill equipment increased mill capacity to 600 tons per day.

An extensive mine and mill expansion, completed in July, 1979, boosted mill capacity to 1,000 tons per day. With this expansion, the operation was capable of producing 8,000,000 pounds of tungsten annually.

Other facilities include an analytical laboratory. Power is supplied by a diesel electric generating plant with a total of 1,500 kw installed capacity.

In 1981, work included the construction of a new assay lab, expansion of the copper recovery circuit, installation of a chlorinator, construction of a propane tank farm, and improvement of maintenance facilities.

In the fourth quarter of 1982, a hydraulic backfill plant was constructed and placed in operation. This plant, which separates the coarser fraction of the mill tails and pumps it underground, placed 33,000 tons of fill in the open stope areas. This was in conjunction with a planned pillar recovery program for 1983.

Also in 1982, modifications to the milling circuit were successful in reducing impurities, eliminating cyanide as a reagent and increasing recovery.

A leaching plant to process scheelite flotation concentrates was completed in North Vancouver in 1966. Transfer of leaching operations from the minesite resulted in substantial savings in costs. The leach plant expansion was completed in March, 1979 and by year-end throughput had reached designed capacity.

When production resumed in December, 1983, changes were made to improve process control in the concentrator.

Treatment Plant—In 1986 the company took control of the lease and operations of the former AMAX ammonium paratungstate plant at Fort Madison, Iowa. The company holds a 20-year lease on the plant, with options to renew for 2 subsequent 10-year periods. The plant has a capacity to process 200,000 STUs per year.

DEVELOPMENT

Extensive mapping, survey work and drilling have been done on the main tungsten property. The main ore zone was developed and mined by open pit 1962-73.

During the latter part of 1972, a production size adit was started and by the end of 1974 had been completed to 4,034 ft. Production from underground started in May, 1974. Since June 15, 1974, all mill feed has been mined from the underground ore body.

Development since 1978 has not been successful in increasing reserves.

A program of in-fill drilling was conducted in 1985 for the purpose of ore reserves calculations.

PRODUCTION

Operations started in November, 1962, and were closed down from Jan. 22, 1983 to Nov. 30, 1983. Production resumed Dec. 1, 1983 at approximately one-half of normal capacity.

During the shut-down period, programs designed to improve productivity and operating efficiency with a reduced workforce were implemented. New high productivity mining methods were introduced and a new preventative maintenance program became operational in early 1984. By mid-1984, operations were at or near capacity. In May, 1986, operations were shut down by a strike. Subsequently, the company announced that, due to depressed product prices, operations would remain suspended. For complete record of production see Historical Summary.

ORE RESERVES

Mineable reserves at Dec. 31 have been reported in recent years as follows:

	tons	%WO ₃
1985	1,530,000	1.24
1984	2,800,000	1.32
1983	3,000,000	1.32
1982	3,040,000	1.32
1981	3,550,000	1.50
1980	3,600,000	1.55
1979	3,900,000	1.55

EXPLORATION

Exploration spending was reduced to \$500,000 in 1985 from \$1,000,000 in 1984. The work was concentrated in the immediate area of the mine; and included sampling, mapping and surveying. Previous exploration work includes the following.

In the Keno Hill area, where the company holds 1,260 mineral claims, strong anomalous zones were disclosed in surveys conducted in 1979. The anomalies occurred within the quartzite formation which hosts the silver bearing veins in the area. A program of tractor trenching was conducted in 1981, exposing the vein structure. A formerly used adit was reopened and timbered.

In the Dublin Gulch area, Yukon, where interests are shared with Queenstake Resources Ltd. (see Other Interests), the company has constructed a placer gold-tungsten recovery plant. Operational in late 1979, the plant, with 2,000 cu. yd. per day capacity, commenced 24 hour operation during 1980 producing high grade tungsten concentrate and a lower grade jig concentrate. Operations are conducted seasonally. Processing yielded 2,900 oz. gold in 1985 and 3,000 oz. gold in 1984.

Also at Dublin Gulch, Canada Tungsten continues exploration of a jointly held tungsten property where drilling to date has outlined 6,000,000 tons grading 0.8% WO₃ and is continuing.

The company has an option for two years from May, 1986, to acquire the Hemerdon Property, a lease on a low-grade tungsten-tin prospect near Plymouth, England.

In 1986, the company returned to Queenstake Resources a 100% interest in the Mar deposit in Central Yukon. The company had acquired an option in 1978 and since then spent \$4,000,000 on exploration.

OTHER INTERESTS

Queenstake Resources Ltd.—9th floor, 850 West Hastings St., Vancouver, B.C. V6C 1E1.

Canada Tungsten holds 38% interest in this listed (TSE, VSE) public company which holds extensive gold-tungsten prospects and placer leases in the Dublin Gulch area, Yukon. Two properties are under option to Canada Tungsten, including one on which a placer gold-tungsten recovery operation commenced in 1979. Production of gold for 1985 was 2,900 oz., similar to 1984 levels. Currently known reserves will run out after

1986. The company also owns a bucket line dredge which operates on the placer leases, has interests in silver and gold prospects in Arizona, New Mexico and California and oil and gas prospects in Texas.

See also separate Information Service Basic Card on Queenstake Resources Ltd.

Oil and Gas

In 1977, the company acquired a 1% net profit participation in four exploration units of Dome Petroleum Limited in the Beaufort Sea at a cost of \$5,000,000. Carried cost net of tax deferrals is \$500,000.

HISTORY

Canada Tungsten Mining Corporation Limited was formed by Ontario incorporation on July 31, 1959, to take over and develop the Northwest Territories tungsten property formerly held by the Mackenzie Syndicate. In consideration thereof, syndicate members (including Leitch Gold Mines Ltd., Highland-Bell Ltd., Ventures Ltd., Area Mines Ltd., Dome Mines Ltd., Lake Expansive Gold Mines Ltd., and others) received a total of 1,000,000 Canada Tungsten vendor shares.

In 1959, development funds were provided by the original vendors through purchase of 1,000,000 shares. In 1960, a further \$750,000 was raised from the sale of 600,000 shares to Burns Bros. & Denton, Walwyn Stodgell & Co., Ventures Ltd., and Dome Mines.

From early 1961, financing was provided by Northwest Amax Ltd. (a subsidiary of American Metal Climax Inc.), 14.52% by Falconbridge Nickel Mines, and 14.52% by Dome Mines. This group purchased 1,500,000 shares for \$1,650,000 and subsequently took up an additional 799,993 shares and \$2,680,000 of 6% income debentures, for an aggregate \$2,529,992.

In 1964, the foregoing group advanced the company \$1,000,000 to repay bank loans and received \$1,000,000 in 6% demand notes in return. The group also guaranteed additional funds.

In December, 1966, the crusher and concentrator were destroyed by fire. Construction of a new mill was completed in 1967 without refinancing. Insurance claims received in 1967 amounted to \$2,057,900.

At Dec. 31, 1967, accrued interest on the 6% demand notes totaled \$65,096. The notes and accrued interest were repaid in full in 1968.

By May 1, 1970, all the 6% income debentures were retired.

In 1977 the company invested \$5,000,000 in Beaufort Sea oil and gas exploration conducted by Dome Petroleum Limited. An interest in Beaufort Petroleum Investment Ltd. (a Dome affiliate) was acquired for \$5,200,000 in 1979 and sold for an unspecified amount in 1984.

A 30% interest in Queenstake Resources Ltd. was acquired during 1978. Certain agreements also provided for joint exploration and development of mineral prospects. Interest in Queenstake was reduced to 20% on that company's initial public offering and increased in 1979 to 28% and 1980 to 45% on purchase of additional shares. Subsequently reduced to 44% in 1983.

The company's operations were closed on Jan. 22, 1983, due to weak demand and low tungsten prices. Operations resumed Dec. 1, 1983, and were up to 410,000 STUs in 1985. Mine was shut down by a strike in May, 1986.

In early 1986, Dome Mines Limited sold its 1,152,895 shares (about 20% interest) in the company through a private placement to unspecified institutional investors.

Also in 1986, the company issued 4,500,000 units (1 common share and 1/2 warrant) for \$34,490,000; \$12,000,000 of which was used to purchase tungsten assets from AMAX Inc. 6,000,000 shares were also issued to AMAX as consideration. The assets included 2 tungsten prospects and a processing plant in Fort Madison, Iowa.

OFFICERS AND DIRECTORS

Officers—F. M. Fell, chm.; W. D. Lenton, pres. & CEO; M. K. Coffin, sec.; D. W. Thompson, v-p, ops.; B. M. A. Porter, v-p, fin. & admin.; U. E. von Doehren, comp.; H. D. Scharf and D. I. Chisholm, asst.-sec.

Directors—D. A. Berlis, F. M. Fell, R. M. Franklin, Toronto; G. B. McKeen, W. D. Lenton, J. J. Crowhurst, G. B. McKeen, Vancouver; C. A. Born, R. M. Franklin, C. E. Stott, Jr., P. Gousseland, Greenwich, Conn.

Mine Office—Tungsten, Northwest Territories X0H 0A0. D. B. Armstrong, mine mgr.

CAPITAL STOCK

(As at Dec. 31, 1985)

	Author.	Outstand.	Par
Common	10,000,000 shs.	5,760,720 shs.	n.p.v.

Note—The number of shares outstanding in June, 1986, after refinancing, was 16,260,720.

Common—One vote per share.

Options—Options have been granted to senior officers and other employees to purchase up to 7,000 shares at \$14.50 per share until August 10, 1989.

Warrants—Issued in May 1986; 2,225,000 outstanding; issued as part of a private placement for refinancing. The warrants allow the holder to purchase one common share for each warrant, at \$10 per share, until expiry on March 25, 1991.

Reserved Shares—In June, 1986, the company had 2,575,000 shares reserved; 2,225,000 for exercise of warrants, and 350,000 for the stock option plan.

PRICE RANGE OF STOCK
(CTM)

Year	High	Low	Year	High	Low
1977	\$12.38	\$5.38	1982	\$26.25	\$13.00
1978	26.50	9.00	1983	22.63	14.00
1979	27.13	19.00	1984	18.25	12.25
1980	52.00	22.00	1985	16.50	8.00
1981	43.00	20.00			

CHANGES IN CAPITAL STOCK

Authorized capital at July 31, 1959, date of incorporation, was 5,000,000 common shares of \$1 par value.

In 1959, 1,000,000 shares were issued for the original mining claims, seven shares were issued to directors and 1,000,000 shares were issued for cash; 600,000 shares were issued for 1960 financing. In 1961, 2,299,993 shares were issued for cash to permit production financing. A total of 90,000 shares were issued upon exercise of employee stock options (35,000 in 1961, 10,000 in 1962, 25,000 in 1966 and 20,000 in 1967). Shares outstanding at Dec. 31, 1967, totaled 4,990,000.

Effective May 16, 1978, the par value was reduced from \$1 to nil and authorized capital increased to 10,000,000 shares from 5,000,000 shares.

During 1984, 715,000 common shares were sold bringing the total number of shares outstanding to 5,705,000.

During 1985, 44,925 common shares were issued in connection with a stock dividend payable Oct. 31, 1985, and 13,889 shares at \$18.90 under a flow through offering.

Early in 1986, the company completed a private placement of 4,500,000 units (one common share and ½ warrant) at \$8 per unit to net \$34,490,000. Also in 1986, the company issued 6,000,000 shares to AMAX Inc. in exchange for that company's tungsten properties.

Also in 1986, the company increased authorized capital to unlimited common shares; and unlimited special shares. The special shares will rank in priority to the common in respect to dividends and return of capital on dissolution.

At June 30, 1986, no special shares had been issued.

DIVIDENDS

A dividend of five cents per share was paid Oct. 31, 1984. Previously, no dividend was paid, since 15 cents per share on June 30, 1982.

An initial dividend of 10 cents per share was paid Dec. 31, 1970. Subsequent payments have been as follows: 20 cents per share on Apr. 15, 1971; 5 cents per share on Oct. 21, 1971, Apr. 17, 1972 and Nov. 18, 1972; 10 cents per share on Oct. 8, 1976; 18.4 cents per share on Apr. 15 and Nov. 18, 1977; and 16.15 cents per share on Dec. 16, 1977. Rate of \$1 per share per annum paid quarterly from Dec. 27, 1978, to Dec. 28, 1979, inclusive; rate of \$1.20 per share per annum paid quarterly from Mar. 28, 1980 to Mar. 31, 1982, inclusive. Dividend of 15 cents per share paid June 30, 1982.

Extra dividend of 75 cents per share paid Dec. 27, 1978.

Stock dividend equivalent to 10 cents per share was paid Oct. 31, 1985. None paid since, up to July 1986.

LONG-TERM DEBT

During 1982, the company negotiated with two Canadian banks revolving lines of credit totaling \$30,000,000 (of which \$15,000,000 available in U.S. funds at the company's option) which are available at least until September 1986.

At Dec. 31, 1985, US\$8,200,000 (13,955,000 in Canadian funds) had been taken down; average rate of interest at that date was 9.2%.

INTERIM EARNINGS

Fiscal Year	Oper. Income*	Net Income	Earns. Per Sh.	Oper. Income*	Net Income	Earns. Per Sh.	Oper. Income*	Net Income	Earns. Per Sh.
	3 months			6 months			9 months		
	\$000's	\$—	\$—	\$000's	\$—	\$—	\$000's	\$—	\$—
1979 ..	5,375	2,850	0.57	11,020	5,816	1.17	17,477	8,875	1.78
1980 ..	9,511	5,367	1.08	23,299	12,714	2.55	36,227	18,155	3.64
1981 ..	650	247	0.05	1,772	261	0.05	7,180	2,335	0.47
1982 ..	5,948	2,639	0.53	7,716	2,629	0.53	7,428	d4,818	d0.97
1983 ..	d4,186	d3,717	d0.74	d7,075	d6,354	d1.27	d10,857	d9,589	d1.92
1984 ..	d2,572	d2,952	d0.59	d2,983	d4,646	d0.93	290	d5,159	d1.03
1985 ..	d270	d1,188	d0.21	d1,042	d2,719	d0.48	d1,108	d5,223	d0.92
1986 ..	d792	d2,786	d0.48	d2,856	d5,605	d0.75			

*Including interest income (net).

STATEMENT OF CHANGES IN FINANCIAL POSITION
Years Ended December 31

	1985	1984	1983	1982	■ 1981
	-\$000's				
Source of Cash					
Earnings from ops.	d10,354	d5,495	d15,956	d3,254	662
Add: Deprec. & amort.	6,656	6,436	1,128	5,712	2,919
Other non-cash charges	2,272	1,011	...	620	15
Decrease in accts. rec.	●d1,559	d4,837	2,178	4,436	2,618
Increase in inventories	...	d2,063	7,470	d5,386	d4,966
Increase in accts. pay.	...	1,939	d1,033	d1,810	2,971
Long-term debt	4,510	d4,069	8,597	4,917	...
Int. income, net	...	...	...	165	3,242
Common shs. issued	262	9,612	...	...	...
Assets sold	19	997	...	...	...
Inc. tax recovered	1,842	2,094	52	1,220	...
Other	...	...	...	...	11
	3,648	3,531	2,436	6,620	7,472
Uses of Cash					
Fixed assets	604	391	674	5,741	12,169
Investments	...	...	...	5	49
Exploration	557	1,011	...	...	...
Deferred costs	...	...	...	...	1,710
Int. expense	1,015	1,879	1,190	...	...
Dividends	39	250	...	2,246	5,988
Inc. taxes and royalties	...	...	572	112	12,089
	2,215	3,531	2,436	8,104	32,005
Decrease in cash	1,433	...	...	1,484	24,533
Cash, January 1	...	...	...	1,484	26,017
Cash, December 31	...	...	...	...	1,484

■ As shown in 1982 annual report.

●Net change in receivables, inventories, prepaids and payables for 1985.

STATEMENT OF INCOME AND RETAINED EARNINGS, YEARS ENDED DECEMBER 31

	1985	1984	1983	1982	1981	1980	1979
	-\$000's						
Operating income	d1,426	1,952	d13,308	4,217	6,388	42,302	26,291
Add: Int. income, net	d1,015	d1,879	d1,190	165	3,242	2,538	1,481
Less: N.W.T. royalty	...	...	▲52	...	37	1,897	1,158
Deprec. and amort.	6,656	6,436	1,128	5,712	2,919	3,742	3,013
Exploration expenses	557	1,011	1,520	1,759	2,807	4,336	2,019
Write-down of assets	...	...	...	7,081	...	...	...
Income taxes: Current	...	...	...	4	4	8,829	464
Deferred	▲1,842	▲2,094	▲4,642	▲1,691	1,250	3,047	4,602
Add: Equity earnings	d700	d350	323	18	200	...	...
Net income, operations	d8,512	d5,630	d12,129	d8,465	2,813	22,977	16,516
Extraordinary Item:							
Writedown	d20,350	...	...	...	...	...	...
Net income	d28,862	d5,630	d12,129	d8,465	2,813	22,977	16,516
Add: Prev. retained earnings	41,222	47,394	59,523	70,234	73,409	56,420	44,894
Less: Dividends	572	250	...	2,246	5,988	5,988	4,990
Share issue exp.	...	292	...	...	...	...	...
Retained earnings	11,788	41,222	47,394	59,523	70,234	73,409	56,420

▲Credit.

Remuneration—Of officers and directors has been: \$508,000 in 1985; \$510,000 in 1984; \$445,000 in 1983; \$467,000 in 1982; \$457,000 in 1981; \$403,000 in 1980 and \$368,000 in 1979.

Earnings per Share and Dividend Record:

Common: Earned °	d\$1.49	d\$1.10	d\$2.43	d\$1.70	\$0.56	\$4.60	\$3.31
●	d\$0.10	d\$1.10	d\$2.43	d\$1.70	0.56	4.60	3.31
Paid	■ 0.10	0.05	...	0.45	1.20	1.20	1.00

■ Stock dividend.

° Before (●after) extraordinary items.

Shares outstanding	5,760,720	5,705,000	4,990,000	4,990,000	4,990,000	4,990,000	4,990,000
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BALANCE SHEET AS AT DECEMBER 31

	1985	1984	1983	1982	1981	1980	1979
	\$000's						
Assets							
Current:							
Cash & s.t. notes					1,484	26,017	5,577
Accounts receivable	5,701	7,532	2,695	4,873	9,309	11,927	13,914
Taxes, royalty recov.					1,289		445
Inventory†	13,179	9,768	7,705	15,175	9,789	4,823	5,693
Prepaid exp.	317	144	186	134	137	23	157
	19,197	17,444	10,586	20,182	22,008	42,790	25,785
Dev. & preprod. expenses			2,266	2,291	3,034	2,118	2,166
Oil & gas interest▲			1,268	1,268	1,268	1,268	10,000
Investments□	6,892	7,602	7,424	7,101	11,009	10,760	2,821
Deferred costs	883	2,016			2,024	4,100	3,303
Fixed assets (at cost):							
Bldgs., mach. & equip.	73,316	72,748	72,714	68,779	53,575	49,178	47,590
Less: Depreciation	54,881	29,536	23,450	22,416	17,631	15,084	11,833
	18,435	43,212	49,264	46,363	35,944	34,094	35,757
Mining property	545	545	545	545	545	125	125
Construction in progress				3,330	14,723	4,899	
	45,952	70,819	71,353	81,080	90,555	100,154	79,957
Liabilities							
Current:							
Accounts pay. & accr.	4,396	4,683	2,786	3,767	5,580	2,495	3,305
Income taxes payable						8,604	
Income tax, royalty					108	2,263	1,184
	4,396	4,683	2,786	3,767	5,688	13,362	4,489
Long-term debt	13,955	9,445	13,514	4,917			
Deferred income taxes		1,842	4,042	9,256	11,016	9,766	15,431
Other	1,391						
Shareholders' Equity							
Common shares	14,422	13,627	3,617	3,617	3,617	3,617	3,617
Retained earnings	11,788	41,222	47,394	59,523	70,234	73,409	56,420
	45,952	70,819	71,353	81,080	90,555	100,154	79,957
□ Market value	4,000	5,500	9,600	5,100	5,294	18,923	5,632
▲Net of deferred taxes in 1980 and subsequently.							
†Concentrates valued at the lower of cost or net realizable value; cost is determined on the moving average basis and does not include depreciation or amortization. Materials and supplies valued at cost in 1979-80; at lower of cost and replacement cost in 1981 and subsequently.							
Commitments and Contingencies —The company is committed under operating leases and supply agreements as follows: \$1,000,000 in 1986; \$900,000 in 1987; and \$800,000 in 1988.							
Working capital (\$000's)	14,801	12,761	7,800	16,415	16,320	29,428	21,296
Ratio	4.37—1	3.72—1	3.80—1	5.35—1	3.87—1	3.20—1	5.74—1

HISTORICAL SUMMARY

(As originally stated in company's annual reports for the respective years)

Year	Tons Milled	WO ₃ s.t.u.\$	Working Capital	Shldrs. Equity	Oper. Income	Net Inc. Oper.	Earns. Per Sh.	Price Range High Low
			000's				Common Shares—	
	Tons	\$	\$	\$	\$	\$	\$	\$
1960 ..			110	1,000				□ 2.20 1.30
1961 ..			1,152	2,873				2.30 1.23
1962* ..	11,840	■	d575	3,579				2.60 1.05
1963† ..	71,824	■	d1,362	3,579				1.40 0.34
1964‡ ..	33,543	■	d1,244	3,579				1.40 0.67
1965 ..	107,651	■	d614	3,557	758	d22	●d0.004	1.44 0.81
1966▲ ..	115,568	213,022	1,677	4,207	2,210	827	0.167	3.30 1.20
1967▲ ..	7,778	■	d335	4,863	427	640	0.128	2.64 1.35
1968 ..	116,558	180,000	623	5,688	2,367	825	0.165	2.74 1.50
1969 ..	167,389	203,174	1,988	7,967	3,405	1,733	0.347	2.15 1.06
1970 ..	176,816	186,340	4,486	9,229	4,265	1,761	0.353	2.45 1.55
1971 ..	181,596	164,420	4,492	8,916	2,972	934	0.187	2.80 1.45
1972 ..	172,826	158,706	4,706	8,296	1,351	d122	d0.024	1.96 1.40
1973 ..	164,900	161,430	4,184	8,853	2,517	710	0.142	3.50 1.55
1974 ..	170,614	177,880	4,434	12,531	6,583	3,677	0.737	4.75 2.00
1975 ..	179,032	162,892	4,244	13,416	3,105	886	0.177	3.50 2.30
1976 ..	188,934	238,998	10,650	19,814	10,743	6,896	1.382	5.88 2.75
1977 ..	185,629	251,813	16,058	33,295	24,629	16,123	3.23	12.38 5.38
1978 ..	194,740	318,085	22,303	48,511	30,427	20,206	4.05	26.50 9.00
1979 ..	271,559	361,016	21,296	60,037	26,291	16,516	3.31	27.13 19.00
1980‡ ..	349,000	442,000	29,428	77,026	42,302	22,977	4.60	52.00 22.00
1981‡ ..	234,000	277,000	16,320	73,851	6,388	2,813	0.56	43.00 20.00
1982 ..	361,000	395,000	16,415	63,140	4,217	d8,465	d1.70	26.25 13.00
1983* ..	40,000	39,000	7,800	51,011	d13,308	d12,129	d2.43	22.63 14.00
1984 ..	339,000	386,000	12,761	54,849	1,952	d5,630	d1.10	18.25 12.25
1985 ..	381,000	410,000	14,801	26,210	d8,512	d8,512	d1.49	16.50 8.00

□ Listed Apr. 27. ● 7 mos. ended Dec. 31, 1965. *Two months only.

‡Milling ceased Sept. 1, 1963; resumed September, 1964. Production was halted by strike from Nov. 14, 1980 to May 14, 1981; operations were closed from Jan. 22, 1983 to Nov. 30, 1983.

▲Mill destroyed by fire Dec. 26, 1966; operations resumed December, 1967.

■ Not reported. §Short ton units of 20 lb. containing 15.862 lb. tungsten.

Note (1)—Pursuant to Section 79(a)(ii) of the Securities Act, 1978, Ontario, an order has been obtained permitting the company to omit disclosure of sales.**Note (2)**—Production data excludes copper production 1968-74 and 1976 totalling 2,304,285 lbs.

(This information is obtained from sources we believe to be reliable, but is not guaranteed)

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